INSTRUCTIONS FOR COMPLETING THE BALANCE SHEET

Balance Sheet Instructions

The purpose of the balance sheet is to show the financial condition of a business on a particular date (the end of a business accounting period – usually the last day of a particular month). It lists assets and liabilities (both current and long-term); as well as owner's equity of a business. The balance sheet is of primary importance in providing information necessary to aid in determining financial integrity as required by Code of Federal Regulations §226.6(b)(2)(vii)(A).

CURRENT ASSETS:
These are assets that have a useful life of *one year from the balance sheet date*. Current assets can be converted to cash within the next 12 months, and are therefore reserved as ready sources of cash to meet immediate requirements in operating the facility.

Cash: Enter the total of all forms of cash you have available that will be used to support operation of the facility. Items to be used to compute this value include currency, cash in checking accounts and cash in savings accounts. The amount shown must be available now and available to support operation of the facility.

Monetary Investments: Monetary investments include primarily three items: Certificates of Deposit, Savings Bonds and Treasury Bills or Bonds owned. They must be currently owned by the applicant and identified for immediate use as necessary in operating the facility.

Negotiable Securities: These include stocks, corporate bonds, etc., that are owned by the applicant and are identified for use, if necessary, in operating the facility.

Accounts Receivable: Any monies owed to the applicant that are due within one year and would be used as they materialize, if necessary, in support of facility operations. *This includes CACFP and DES reimbursement.*

Notes Receivable: Any promissory notes held by the applicant that fall due within one year of the date of application and whose proceeds would be used as necessary to operate the facility.

Other: Any other assets that could be converted into cash within the operating year and used for operation of the facility. Please specify.

LONG-TERM ASSETS:
Long-term assets have a useful life of ***more than*** *one year from the balance sheet date*. These long-lived or long-term assets are acquired for use in operating the business. Unlike current assets, this type of asset is not viewed as being readily and quickly convertible to cash.

Notes Receivable: Any promissory notes held by the applicant that fall due more than one year from the date of the Balance Sheet and whose proceeds, when received, would be used as required for the operation of the facility.

Land: The value of all land owned by the applicant to include the value of the land on which the buildings which comprise the facility are located. The value of the land entered here should be the price at which the land was purchased rather than current appraised value.

Buildings: The total value of the buildings that comprise the facility. The value listed should be the price at which the buildings were purchased rather than the current appraised value.

Accumulated Depreciation - Buildings: The total value of all depreciation claimed on all buildings as of the date on the Balance Sheet.

Current Value: The difference between the total value of the buildings and the accumulated depreciation on the buildings.

Office Equipment: The total value of all office equipment owned and used in the operation of the facility. The value listed should be the purchase cost of the machinery.

Accumulated Depreciation - Office Equipment: The total value of all depreciation claimed on all office equipment as of the date on the Balance Sheet.

Current Value: The difference between the total value of the office equipment and the accumulated depreciation on the office equipment.

Furniture and Fixtures: The total value of all furniture and fixtures owned and used in the operation of the facility. The value listed should be the purchase cost of the furniture and fixtures.

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Accumulated Depreciation - Furniture and Fixtures: The total value of all depreciation claimed on all furniture and fixtures as of the date on the Balance Sheet.

Current Value: The difference between the total value of the furniture and fixtures and the accumulated depreciation on the furniture and fixtures.

Vehicles: The total value of all vehicles owned and used in the operation of the facility. The value listed should be the purchase cost of the vehicles.

Accumulated Depreciation - Vehicles: The total value of all depreciation claimed on all vehicles as of the date on the Balance Sheet.

Current Value: The difference between the total value of the vehicles and the accumulated depreciation on the vehicles.

Other Assets: Any other long-term or facility and equipment assets owned by and used in support of the facility. Each item must be listed separately. Items of capital equipment that are listed here must also be accompanied by a value of accumulated depreciation and a current value.

CURRENT LIABILITIES

These are existing liabilities that must be paid within the next 12 months.

Accounts Payable: The amount entered here should include the sum of the total unpaid salaries and payments of all unpaid bills and financial obligations that fall due within the next 12 months with the exception of mortgage payments and installment loans. Examples include utility bills, unpaid wages to current employees, if any, charge accounts and credit cards.

Notes Payable: This amount should include all payments that must be made within the next 12 months on existing contracts, mortgages and installment loans.

Other: This amount includes any other existing obligation that is due during the next 12 months. It would include payments of obligations that are in arrears such as income taxes, property taxes, insurance or interest payable. Each item must be itemized separately under the heading "Other".

LONG-TERM LIABILITIES

These are liabilities that are considered long-term in nature in that they fall due more than one year from the date of the Balance Sheet.

Mortgage Payable: This is the total value necessary to liquidate any mortgage on the facility, less the amount reflected as part of notes payable listed as a current liability.

Notes Payable: This is the total value necessary to liquidate all outstanding contracts, installment loans or promissory notes, less the amount due within the next 12 months and reflected as part of notes payable listed as a current liability.

Other: Any other long-term liabilities that are owed and were incurred to support facility operations. Each item must be listed separately.

OWNER'S EQUITY

Owner's Equity: The value entered here reflects the total of investments made by the owner in the facility. If all entries have been properly made regarding assets and liabilities, and accounting records have been properly maintained, this value should equal the difference between Total Assets and Total Liabilities.

TOTAL LIABILITIES AND OWNER'S EQUITY

Total Liabilities and Owner's Equity: This is the amount of Owner's Equity added to Total Liabilities. This value should equal Total Assets if all entries have been properly made and accounting records have been properly maintained.